

ERRATA SHEET: PUBLIC HEARING DRAFT HOUSING ELEMENT, 2009- 2014, JUNE 2009, COUNTY OF SAN LUIS OBISPO (August 11, 2009)

Planning Commission Recommended Changes, July 6, 2009 plus
(in underlined italics) Staff Proposed Changes Based on Recommendations from the State of California Department of
Housing and Community Development, July 22, 2009

1. Table 1.1: "Median Income" column was bolded.
2. Page 2-7, under "How the County Can Address Limitations." Delete the last sentence of the first paragraph as follows: The County can most directly influence the amount of affordable housing built by assuring that there is a sufficient amount of land designated for appropriate densities of residential development, and by assuring that adequate infrastructure is available. ~~The added supply of land should have the market effect of resisting upward price changes.~~
3. Page 2-7, under "How the County Can Address Limitations." Delete existing wording and revise as follows: The County can also assist by finding ways to reduce the amount of time required to obtain development approvals that are consistent with land use policies and ordinances. Costs associated with holding land during the permit process and initial investments in public improvements discourage development and limit the supply of housing. ~~are passed along to the homebuyers and renters, adding to the cost of housing.~~ The County can also provide incentives for development of affordable housing as described later in Chapter 4.
4. Page 3-2, under Total row in Table 3.2: Delete existing totals and revise as follows:

Total	<u>833</u>	<u>585</u>	<u>666</u>	<u>1,506</u>	3,590
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5. Page 3-4/3-5, under "Realistic Development Capacity" in the fourth paragraph last sentence, delete existing wording and revise as follows:
To balance the market demand for larger housing units and the community demand for maximum open area, affordable housing developments are have been typically designed at densities below the maximum allowed by the Land Use Ordinance.
6. Page 3-6, the note in the margin is revised to read:
~Refer to Appendix C to view other vacant parcel maps for low-and very low and low income housing
7. Page 3-6, the title of the section is revised to read:
Sites for Low-and Very Low and Low Income Housing
8. Page 3-6, under "Vacant Residential Sites," the paragraph is revised to read:
Due to the high cost of land in the county, most new housing units affordable to low-and very low and low income households will be built in the medium to high density Residential Multi-Family (RMF) land use category (allowing 26 units/acre or higher). Additionally, HCD indicated that land designated for residential development at densities of 20 units per acre or higher may be counted toward meeting the assigned share of housing need for low-and very low and low income households. A total of 11 vacant residential sites with maximum allowable densities of 26 or 38 units per acre were identified within the RMF land use category. The total development potential on the identified sites is estimated to be 297 units. This is based on the average development density of 18 units per acre. Maps of vacant sites are included in Appendix C. *The following table lists the vacant sites that could be developed with housing for low-and very low and low income housing.*
9. Page 3-8: the sentence preceding Table 3.6 is revised to read:
The following table lists underutilized parcels that could be developed for low-and very low and low income households.

10. *Page 3-8, the title of Table 3.6 is revised to read:*
Table 3.6: Underutilized Parcels for Low and Very Low and Low Income Households
11. *Page 3-10, under “Assisted housing units,” the first paragraph is revised to read:*
Because the County is an “entitlement” grantee under the U.S. Department of Housing and Urban Development’s Home Investment Partnerships (HOME) Program, we expect to allocate HOME funds to assist in the development of new housing units for low and very low and low-income households.
12. *Page 3-10, under “Total very low and low income housing unit potential,” the sentence is revised to read:*
In sum, the County has identified sufficient sites for its assigned share of low and very low and low income housing need as follows:
13. *Page 4-5, under Program HE 1.A, Description, add the following sentence at the end of the paragraph:* Amend the Land Use and Circulation Elements to designate additional land in the Residential Multi-Family (RMF) and Residential Single Family (RSF) land use categories to accommodate needed housing to meet population growth during the next five years and beyond to 2020. The need is primarily for Residential Multi-Family land.
14. *Pages 4-6 and 4-7, Program HE 1.B is revised to read:*

Program HE 1.B: Continue and track existing development incentives.

Description: Continue to provide incentives to encourage development of affordable housing including density bonuses, exemptions from the Growth Management Ordinance, and expedited permit processing. Additionally, the Planning and Building Department will consider exempting in-fill projects located in eligible urban areas from the California Environmental Quality Act per Title 14, Section 15332.

Purposes: Incentives have financial values that improve the financial feasibility for the development of affordable housing. The County currently offers a density bonus of 35 percent for developments that include specified amounts of housing for extremely low, very low, low, or moderate-income senior households. The County exempts all housing units for extremely low, very low income, low income, and moderate-income households from its Growth Management Ordinance, resulting in significant time savings during periods of high demand for building permits. Also, the Planning and Building Department provides expedited permit processing for affordable housing developments, saving weeks or months in processing times. The Planning and Building Department will monitor the impact of its permitting processes (including use permits) and look for opportunities to streamline permits for housing.

Desired Result: Approximately 100 more housing units for extremely low, very low income, low income, and moderate-income households than without such incentives.

Agency: Planning and Building Department, Public Works Department

Funding: Budgets of affected departments

Schedule: Ongoing

15. *Page 4-7, under “Desired Result,” the text is revised to read:*
Approximately 100 more housing units for extremely low, very low income, low income, and moderate-income households than without such incentives.
16. *Page 4-9, Program HE 1.D, under “Schedule,” the text is revised to read:*
Initiate ordinance amendments in 2012 2011 and complete the amendments in 2014 2012.
17. *Page 4-9, under Program HE 1.E Description, last sentence, strike the word “the”:*
This requirement could be modified to increase the—this distance if growers provide transportation to employees.
18. *Page 4-11, Program HE 1.G, “Description.” Revise paragraph to read as follows:*
Revise development standards for multi-family housing (including multi-family housing built at residential densities of 20-38 units/acre) and single family housing to encourage construction of well-designed communities. This program would include the prohibition of

mini-storage in the Residential Multi-Family land use category. This program could also include improvements to useable open space, replacement of floor area ratio with site coverage, prohibition of mini-storage in the Residential Multi-Family land use category. 3-4 story height allowances in specified urban areas and locations adjacent to transit stops on major streets, parking reductions, shared parking, and standards for Single Room Occupancy (SRO) housing. For single family housing, revised standards will be considered for small lot development, infill development, and for mobilehome parks.

19. *Page 4-17, Program HE 1.K, the title is revised to read:*
Require attached housing or zero lot line housing in selected areas designated as Residential Multi-Family.
20. *Page 4-17, Program HE. 1.L, revise the title to read:*
Consider Establishing minimum Residential Multi-Family densities.
21. *Page 4-17, under Program HE 1.L, Description, delete existing wording and revise as follows:*
Consider Amending ordinances to require minimum densities of at least 20 units per acre for multi-family development. between 15 and 25 units per acre for multi-family developments in certain areas close to centers of employment, shopping, schools, parks, and transportation systems.
22. *Page 4-18, Program HE 1.L, under "Schedule," the text is revised to read:*
Consult with local developers and local community advisory groups in 2013 2011 to identify possible locations and appropriate minimum densities, complete the ordinance and general plan amendments in 2014-2012.
23. *Page 4-23, under HE 1.16, the policy is revised to read:*
Promote housing opportunities regardless of age, race, religion, sex, marital status, ancestry, or national origin.
24. *Page 4-23, under Program HE 1.Q "Purposes," the text is revised to read:*
To ensure equal housing opportunities that prohibit discrimination in housing based on the basis of age, race, color, religion, sex, national origin, disability, and familial status.
25. *Program HE 1.S was added to Chapter 4 after Program HE 1.R to read:*

Program HE 1.S: Amend ordinances to facilitate development of senior-friendly communities.

Description: Amend ordinances and the General Plan to facilitate development of senior-friendly communities and housing suitable for the County's aging population.

Purposes: To provide more housing choices that meet the needs and preferences of seniors.

Desired Result: Revised ordinances can enable provision in housing developments for pedestrian access, access to nearby services, and transit that are needed by seniors.

Agency: Planning and Building Department

Funding: Department Budget

Schedule: Initiate ordinance amendments in 2012.

26. *Page 4-32, Program HE 3.C, the "Description" and "Purposes" are revised to read:*

Program HE 3.C: Establish a foreclosure program and/or an eviction prevention program to reduce homelessness, subject to available funding.

Description: Establish a foreclosure prevention program and/or an eviction prevention assistance program for persons owner and renter households at risk of becoming homeless, if funding sources are made available.

Purposes: A foreclosure prevention program could financially assist renters and homeowners experiencing possible foreclosures. Alternately, an eviction prevention program could also prevent homelessness by providing funding to renter households at risk of losing housing. The number of home foreclosures countywide increased dramatically in 2008 due to the nationwide recession. A total of 309 notices of default (first step in the foreclosure process) were filed in the fourth quarter of 2008, compared to 291 notices in the same quarter in 2007 (6% increase, MDA Dataquick). Additionally, 182 homes were lost to foreclosure in the fourth quarter

of 2008, an 82% increase (from 100 foreclosures) in the same quarter in 2007 (MDA Dataquick). When foreclosures increase, renters and homeowners are displaced and can become homeless.

27. *Page 4-33, Table 4.3, Program HE 1.D was revised to start in 2011 (delete 2012).*
28. *Page 4-33, Table 4.3, Program HE 1.L was revised to be a medium priority, and timeframe to start on 2011 (delete low priority and 2013).*
29. *Page 4-33, Table 4.3: Program 1.S was added after Program 1.R.*
30. *Page 5-1, the third bullet is revised to read:*
Attached housing ~~will be~~ is a good choice for many residents, since it can be developed at higher densities and therefore lower land cost per housing unit, while still providing useable open space and other amenities.
31. *Page 5-1/5-2, the last bullet is revised to read:*
It is becoming more important to find opportunities to provide housing to locally-employed persons. When people live closer to work, school, shopping, and other destinations, they consume less energy, contribute less to traffic congestion, reduce infrastructure costs to the County, reduce personal travel expenses, and improve overall quality of life by having more free time.
32. *Page 5-4, first sentence is revised to read:*
The county's population is currently home to 270,429 residents (California Department of Finance, 2009).
33. *Page 5-9, a bullet was added after the bullet "high construction costs" to read:*
 - Concerns about Homeowner Association rules and viability
34. *Page 5-16, the last two sentences under "Housing Unit Types" is revised to read:*
The Department of Finance reports ~~47,575~~ 48,285 housing units exist in the unincorporated county, approximately ~~7,003~~ 7,063 (14.7%) of which are manufactured (mobile) homes and ~~3,477~~ 3,608 (7.35%) are multi-family homes. *The following table shows the types of housing units in the county in* ~~2008~~ 2009.
35. *Page 5-16: Table 5.11 was updated with 2009 data and revised to read:*

Table 5.11: Housing Units by Type – Unincorporated County, 2008 2009

Type of Unit	Unincorporated County		Countywide	
	Units	Percent	Units	Percent
Single Family Detached	<u>35,931</u>	<u>74.4</u>	<u>77,130</u>	<u>65.7</u>
Single Family Attached	<u>1,683</u>	<u>3.5</u>	<u>6,883</u>	<u>6.0</u>
Multi-Family	<u>3,608</u>	<u>7.5</u>	<u>21,093</u>	<u>18.0</u>
Mobile Homes	<u>7,063</u>	<u>14.7</u>	<u>12,213</u>	<u>10.4</u>
Total Units	<u>48,285</u>	<u>100</u>	<u>117,319</u>	<u>100</u>

Source: CA Department of Finance, January 1, 2008 2009

36. *Page 5-31/5-32: Under Nipomo, Water, delete existing wording and revise the description as follows:*
In a LOS III, but the Nipomo Community Services District (NCSD) has taken the lead to bring new water resources to the Nipomo Mesa Water Conservation Area to address the existing shortage.
37. *Page 5-32: Under Nipomo, Roads, delete existing wording and revise the description as follows:*
The interchange of Tefft Street at US 101 presently operates below acceptable peak hour levels of service. This condition is expected to improve with the proposed Willow Road extension and interchange improvements.

38. Page 5-37 is revised to read:

Table 5.17: Typical Development Standards

Land Use Category	Density	Open Space	Setbacks	Parking	Height	Minimum Site Area
Residential Single Family	Approx. 6 units per acre	No requirement	Front- 25ft Side- 5 ft Rear- 10ft Corner (street side) 10 ft if lot is more than 50 ft wide	2 spaces per dwelling	35 feet	6,000 square feet (1,750 in some areas)
Residential Multi-Family	Low- 15/ac Medium- 26/ac High- 38/ac	55% 45% 40%	Front- 25ft Side- 5 ft Rear- 10 ft Corner (street side) 10 ft if lot is more than 50 ft wide	1 per one bedroom unit, 1.5 per two bedroom unit, 2 per three or more bedrooms, plus Guest Parking (1 space <u>per development, not per unit</u>), plus 1 for each 4 units or fraction thereof beyond the first four)	35 feet (45 feet if high density)	6,000 square feet for two units

Note: Landscaping is required for multi-family projects.

39. Pages 5-41 and 5-42, the paragraph is revised to read:

For a typical 20 unit market rate multi-family rental project (exempt from inclusionary fees), the required land use permit fees include a Minor Use Permit with an Initial Study (~~\$5,385~~), Public Works review (~~\$125~~) and Cal Fire review (~~\$378~~). Building permits include inspection fees, impact fees, and other costs associated with processing the permit. The total fees associated with the planning and building permits (FY 08/09 costs) would total an estimated ~~\$90,153~~ 157,041 (~~\$71,267~~ \$132,267 of which are impact fees), excluding school fees which are paid to school districts. Therefore, the cost per unit for permit fees is \$7,852 (excluding school fees). Therefore, the total estimated entitlement cost for a 20-unit apartment project is ~~\$96,041~~, or \$4,802 per unit. Assuming the total development cost for multi-family housing is \$250,000 per unit, impact fees charged by the County are 2.6 percent of the total cost in this example. School fees are 1.1 percent of the total cost and permit processing fees are 0.5 percent of the total development cost. Therefore, impact and processing fees are not a large portion of total development costs and are not unreasonable. All building permit fees must be paid at permit issuance. An initial deposit is required upon building permit application, and the balance is due upon permit issuance.

40. Page 5-43, the second paragraph is revised to read:

The permit requirements for residential uses depend on the type of project and the land use category. In the Multi Family land use category, projects with 4 or fewer dwellings requires a Zoning Clearance, projects 5-15 units in size requires a Site Plan Review, project 16-24 units in size requires a Minor Use Permit (MUP), and projects with 25 or more units require a Conditional Use Permits (CUP) which requires a Planning Commission hearing. The purpose of discretionary review (either MUP or CUP) is to enable design review in accordance to community design plans and guidelines. Table 5.20 describes permit requirements for residential projects.

41. Page 5-44, the first paragraph is revised to read:

While larger multi-family projects could be constrained by the requirement of a CUP, recent affordable housing project approvals show that the CUP requirement is not overly burdensome. For example, a 52-unit affordable housing project (Roosevelt Apartments) and a 40 unit affordable housing project (Cider Village) were approved in 2006 in Nipomo. Additionally, a 43-unit project was approved in Templeton in 2008 (Serenity Hills) and a 29 unit project was approved in Avila Beach in 2004 (Lachen Tara). In the 08/09 fiscal year, the Planning and Building Department base fee for a CUP was \$8,311 and the fee for a MUP

was \$5,385 (a \$2,926 difference). Four recent affordable housing projects located in Templeton and Nipomo were approved by the Planning Commission within 2 to 3 months from the date the application was deemed complete. These projects include a 29 unit project in Templeton (Tract 2458), a 40 unit project in Nipomo (Cider Village), a 52 unit project in Nipomo (Roosevelt Family Apartments), and a 43 unit project in Templeton (Serenity Hills). A typical MUP project incorporating between 16-24 units would take approximately the same amount of time to process that a CUP project would take. However, the entire permitting process for a MUP would take between 1.5 to 2.5 months (as opposed to 2 to 3 months for a CUP) because scheduling a Planning Department hearing can occur more quickly. All affordable housing projects are priority processed.

Typical conditions of approval for a CUP project are identical to those for a MUP project. For example, a 40 unit project approved in Nipomo in 2006 had 23 conditions of approval consisting mostly of code requirements including fire safety, air quality, fees, landscaping, road improvements, and fencing requirements.

The County will also hold a pre-application meeting at the request of the applicant and frequently provides concessions for affordable housing projects. For example, People's Self Help Housing received a building height waiver for the Lachen Tara project and reduced parking requirements have been granted for some affordable housing projects.

The above discussion of cost and time necessary to process and approve County discretionary permits shows that the CUP process is reasonable. However, Program HE 1.B will track the time and cost associated with processing use permits for housing projects to monitor the impact of these processes, and look for ways to streamline permits for housing.

42. Pages 5-45 and 5-46, the "Inclusionary Housing Ordinance" section is revised to read:

Inclusionary Housing Ordinance

The Board of Supervisors adopted an Inclusionary Housing Ordinance on December 9, 2008. The California Chapter of the American Planning Association awarded the County Department of Planning and Building a "Planning Achievement Award" in 2009 for their advocacy in crafting and gaining broad support for the ordinance. The inclusionary ordinance is flexible, and provides several options for developers to meet the affordable housing requirement. Compliance options for developers include: building units on-site, building units off-site, paying in-lieu fees, or donating land to meet the inclusionary requirement. One bonus unit is granted for each inclusionary housing unit provided for residential projects. A five year phase in period is underway. In lieu fees will cost approximately \$20,~~800~~900 per unit (for a 2,200 square foot house) after the ordinance is fully implemented in five years, and the in lieu fees are placed into an affordable housing fund for future affordable housing projects (see the San Luis Obispo County Inclusionary Zoning Ordinance Financial Analysis by Vernazza Wolfe Associates, Inc., December 21, 2007 for fee calculation).

In-lieu fees are a sliding scale based on the size of residential units provided. For example, a development consisting of 2,200 square foot units would cost \$20,900 per unit in lieu fees (in five years upon full implementation). A development consisting of 1,500 square foot units would cost a developer \$14,250 per unit in in-lieu fees. Exempt projects include: units smaller than 900 square feet in size, a single family dwelling, secondary dwellings, employee and farm support quarters, and rental housing secured for 10 years or longer.

A five year phase-in period is underway. Ultimately, 20% of all new residential units will be designated as affordable, inclusionary housing units. For example, a 5 unit project would require 1 inclusionary unit and a 25 unit project would require 5 inclusionary units. The sequence of inclusionary units provided is as follows: first unit is workforce income, second

unit is moderate income, third unit is low income, and a fourth unit is for very low income. If units are built on-site, the affordability requirement is reduced by 25%.

43. *Page 5-53 - The second full paragraph is revised to read:*

For many farmworkers, their relatively low incomes are the biggest factor preventing them from obtaining adequate housing. ~~According to the 1990 study hourly wages at that time varied from about \$4.25 to \$7.20 depending on skill level and tasks being performed. Piece rate wages (based on the number of cartons or bins harvested) can be much higher. The study found that the average annual income for Nipomo farmworker families was about \$12,500. With an average family size of about 6 persons these families are below the poverty level.~~ In 2008, farmworkers and laborers for crop and nursery in San Luis Obispo County made an average of \$19,218, the equivalent to \$9.23/hour full time (EDD). Other farming wages in the county range from \$19,615-\$32,409/year.

44. *Page 6-57, Policy HE 1.11 is revised to read:*

Policy HE 1.11: Promote development standards that ~~provide encourage well-designed communities and~~ resource conservation through ~~efficient site design and~~ sustainable materials ~~and cost-effective energy conservation measures.~~ This policy is intended to benefit future residents through ~~reduced cost of energy development of architecturally compatible neighborhoods~~ and reduced negative environmental impacts.

45. *Page 6-58, Policy 1.16 is revised to read:*

Promote housing opportunities regardless of age, race, religion, sex, marital status, ancestry, or national origin.